

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1346 - HB 1313

March 9, 2013

SUMMARY OF BILL: Requires the waiver of all penalties and the reduction of interest to a rate of five percent imposed on any delinquent 2009 and 2010 real property taxes for delinquent taxpayers who owned real property that was demolished, destroyed, or substantially damaged as a result of a coal ash spill that occurred in Tennessee between December 1, 2008, and January 1, 2009. Deems real property substantially damaged when, as a consequence thereof, it has been rendered unfit for use or occupancy, or when the damage has reduced the value of the property by more than fifty percent.

ESTIMATED FISCAL IMPACT:

Decrease Local Revenue – Exceeds \$59,900/One-Time

Assumptions:

- The coal ash spill affected properties in Roane County, Tennessee.
- The exact number of delinquent taxpayers who owned real property that was demolished, destroyed, or substantially damaged as a result of the coal ash spill is unknown.
- According to the Roane County Executive's Office, Roane County has a combined interest and penalty of 18 percent. The total base amount of taxes due is \$843,698 (\$280,127 for tax year 2009 and \$563,571 for tax year 2010), and the total amount of penalties and interest owed to the County is \$401,278 (\$180,133 for tax year 2009 and \$221,145 for tax year 2010).
- It is assumed that at least 20 percent of the base amount owed is owed by taxpayers whose real property was demolished, destroyed, or substantially damaged as a result of the coal ash spill.
- Requiring the waiver of all penalties and the reduction of interest to a rate of five percent would result in a one-time decrease in penalty and interest collections exceeding \$59,870 (\$27,195 for tax year 2009 and \$32,675 for tax year 2010).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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